

Audit Report

Cenikor Foundation

**Region 11 Substance Use
Disorder Treatment Provider**

**August 26, 2021
OIG Report No. AUD-21-027**



**Inspector
General**

**Texas Health
and Human Services**



HHS OIG

TEXAS HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

August 26, 2021

Audit Report

CENIKOR FOUNDATION

Region 11 Substance Use Disorder Treatment Provider

WHAT THE OIG FOUND

Cenikor did not consistently comply with core contractual requirements for providing adult substance use disorder program services in Region 11. Specifically, Cenikor did not:

- Consistently provide support that it performed required (a) monitoring activities for clients admitted to its residential withdrawal management service type, or (b) counseling services for clients admitted to its intensive residential service type. Cenikor did not provide evidence that it delivered all required monitoring or counseling services to the following clients tested:
 - 88 percent of clients admitted into residential withdrawal management. Cenikor did not perform 50 percent or more of the monitoring required for 13 percent of the clients tested. As a result, OIG Audit identified an extrapolated recovery of \$194,205.11.
 - 23 percent of clients admitted into its intensive residential service.
- Maintain evidence to support performance of, and compliance with, program and contractual requirements related to medical, clinical, opioid consent, and referral and referral follow-up activities. For example, Cenikor did not:
 - Provide the required planned activities for 100 percent of applicable intensive residential clients tested or provide all the required daily interactions for 80 percent of residential withdrawal management clients tested.
 - Perform or document required client involvement in discharge planning for 77 percent of withdrawal management clients or for 86 percent of intensive residential clients.
 - Obtain opioid informed consent from 22 percent of withdrawal management clients or 39 percent of intensive residential clients.
 - Appropriately complete admission orders and face-to-face examinations or consistently document vital signs for residential withdrawal management admissions.

In addition, audit testing identified 98 occurrences in which Cenikor billed for both withdrawal management and intensive residential on the same day and one instance in which it billed for a day the client was not at the facility, resulting in an additional dollar-for-dollar overpayment of \$10,802.44.

Failure to provide required monitoring and counseling to clients in the detoxification and substance abuse programs, or comply with other medical, clinical, consent, and follow-up requirements, risks client health and safety and reduces the likelihood of achieving successful program outcomes. Without providing evidence that the services were provided, Cenikor cannot support certain claims paid by HHSC.

Cenikor should return a total of \$205,007.55 to the state of Texas. Audit issues identified in this report may be subject to liquidated damages or OIG administrative enforcement measures, including administrative penalties.

BACKGROUND

HHSC has multiple contracts with Cenikor to provide substance use disorder services throughout Texas, for which Cenikor received \$12.5 million from September 1, 2019, through December 31, 2020.

WHY THE OIG CONDUCTED THIS AUDIT

The Texas Health and Human Services (HHS) Office of the Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of services Cenikor Foundation (Cenikor) provided under two adult treatment contracts for its Region 11 facility in Corpus Christi. OIG Audit initiated this audit as a result of a previous audit of Cenikor facilities in Region 7, which found Cenikor did not meet most contractual requirements tested and did not provide support that it consistently delivered key services for which it received payment.

OIG Audit evaluated contracts between HHSC and Cenikor for services provided at facilities in Region 11, which includes Corpus Christi. HHSC paid Cenikor \$2.5 million for services to 1,265 clients under the contract during the audit scope, which included the period September 1, 2019, through December 31, 2020.

The audit objective was to evaluate whether Cenikor's residential withdrawal management and intensive residential treatment services (a) were provided in accordance with selected regulations and contractual requirements and (b) supported the payment received.

WHAT THE OIG RECOMMENDS

Cenikor should (a) provide required monitoring and counseling, (b) maintain evidence of contract compliance, (c) ensure policies and procedures for billing practices are consistent with contract requirements, documented, and provided to appropriate billing staff, and (d) return a total of \$205,007.55.

MANAGEMENT RESPONSE

The OIG presented preliminary audit results, issues, and recommendations to Cenikor on August 10, 2021. Cenikor indicated it will implement improvements to strengthen compliance.

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INTRODUCTION

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) conducted an audit of Cenikor Foundation (Cenikor), a substance use disorder treatment facility, under contracts with the Health and Human Services Commission (HHSC).¹ Funds for the contracts are distributed from a federal block grant to subrecipients contracted by HHSC.

HHSC-contracted substance use disorder facilities provide substance use rehabilitation services to Texas residents who meet eligibility requirements. Clients must meet residency, financial, medical, or clinical eligibility requirements to receive services under the block grant. Substance use disorder facilities provide services directly to clients, coordinate referrals for clients with third-party providers, and monitor client status after discharge from substance use disorder programs. Cenikor is required to use the Clinical Management and Behavioral Health Services (CMBHS) system to document services provided to each client, including information to support claims submissions.

In February 2021, OIG Audit completed an audit of Cenikor's treatment services provided at six facilities in Region 7, which includes Austin, Killeen, San Marcos, Temple, and Waco. That audit found Cenikor did not meet most contractual requirements tested and did not provide support that it consistently delivered key services for which it received payment. OIG initiated three additional audits of Cenikor's contracts, including this audit of Region 11, as a result of the Cenikor Region 7 audit results.

Cenikor operates in Corpus Christi under its Region 11 adult treatment contracts. The location provides five services in the adult treatment program: residential withdrawal management, intensive residential, supportive residential, ambulatory withdrawal management, and outpatient.² OIG Audit conducted an audit of the following services provided by Cenikor's Region 11 facility:

- Adult residential withdrawal management
A structured environment for clients who are physically dependent on alcohol and other drugs to safely withdraw from those substances, and for clients who are intoxicated to be medically monitored until achieving a non-intoxicated state that prepares and engages clients for ongoing treatment.
- Adult intensive residential
Intensive treatment services provided in a residential setting that facilitate recovery from substance use disorders for clients, based on guidelines

¹ HHSC Contracts #2016-048649 (Sept. 1, 2015), as amended, and HHS000663700242 (Sept. 1, 2020).

² Withdrawal management is synonymous with detoxification.

developed by the Department of State Health Services' Client Placement Guidelines.³

HHSC has multiple contracts with Cenikor to provide substance use disorder services throughout Texas, for which Cenikor received \$12.5 million from September 1, 2019, through December 31, 2020. During the period of September 2019 through December 2020, HHSC paid Cenikor \$2,519,732.27 for adult treatment services it provided to 1,265 clients in Corpus Christi under contracts 2016-048649 and HHS000663700242.

HHSC pays Cenikor a per-day unit rate for inpatient services. Components of the unit rate, such as salary, facility costs, and direct care client services, are blended into the single rate and are not broken out into specific costs.

OIG Audit evaluated Cenikor's compliance with contractual requirements related to:

- Client care
- Client medical eligibility
- Client opioid consent
- Discharge and referral procedures
- Billing

Objective and Scope

The audit objective was to evaluate whether Cenikor's residential withdrawal management and intensive residential treatment services (a) were provided in accordance with selected regulations and contractual requirements and (b) supported the payment received.

The audit scope includes payments to Cenikor under its Region 11 adult treatment contracts for the period September 1, 2019, through December 31, 2020, and included a review of significant controls and control components through the end of fieldwork in August 2021.

Methodology

To accomplish its audit objectives, OIG Audit collected information through discussions and interviews with responsible staff at Cenikor and HHSC, and through request and review of supporting documentation maintained by Cenikor and data maintained in CMBHS.

³ The contract and all functions associated with the contract were transferred by the Department of State Health Services to HHSC. HHSC Contract #2016-048649, Amendment 2, (Sept. 1, 2016).

OIG Audit issued an engagement letter to Cenikor on May 11, 2021, providing information about the upcoming audit and conducted fieldwork from May through August 2021.

The audit used CMBHS and other information provided by Cenikor to verify clinical information and to determine whether required documentation existed to support the payments made for the patients treated under the contracts with HHSC.

OIG Audit also reviewed Cenikor's system of internal controls, including components of internal control,⁴ within the context of the audit objectives. OIG Audit reviewed:

- Residential withdrawal management admission authorization, face-to-face examination documentation, and verification that the primary diagnosis in the CMBHS assessment matched the admission order.
- Opioid consent forms to confirm the client's informed and voluntary decision to accept the treatment provided.
- Progress notes and discharge plans to assess whether Cenikor provided services required by the contracts to support paid claims. This review also included verifying client involvement with treatment activities through review of signed and dated discharge plans.
- Referral and referral follow-up documentation to evaluate whether Cenikor referred clients for ongoing support.
- Billing practices associated with paid claims for (a) a client's transition day from residential withdrawal management to intensive residential and (b) days when a client was not present at the facility.

OIG Audit reviewed records supporting services delivered by Cenikor to selected clients for the period September 1, 2019, through December 31, 2020. OIG Audit selected and tested statistically valid random samples of clients who received residential withdrawal management and intensive residential services during the scope period. Within each of the service types, some sampled clients had more than one service begin date within the service type.

The service begin date indicates a client's eligibility to receive substance use disorder services has been established and enables Cenikor to enter the client into a service type. An admission signifies the date Cenikor admitted the client into a

⁴ For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

service type based on the client's eligibility and assessment information. For purposes of this report, each service begin date within a service type for a client will be referred to as an admission. OIG Audit tested all admissions for the selected clients. Details about the sampling methodology are given in Appendix A.

The OIG Audit and Inspections Division presented preliminary audit results, issues, and recommendations to Cenikor in a draft report dated August 10, 2021. Cenikor provided management responses to the recommendations, indicating it will implement improvements to strengthen compliance with TAC and contractual requirements by October 31, 2021. Cenikor's management responses are included in the report following each recommendation.

Criteria

OIG Audit used the following criteria to evaluate the information provided:

- 25 Tex. Admin. Code § 441.101 (2004)
- 25 Tex. Admin. Code §§ 448.802, 448.804, 448.805, 448.902, and 448.903 (2004)
- HHSC Contract #2016-048649 (2015), as amended
- HHSC Contract HHS000663700242 (2020)

Auditing Standards

Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

While Cenikor met some Texas Administrative Code (TAC) and contractual requirements tested, it did not meet several key contractual requirements tested and did not provide support that it consistently delivered services for which it received payment. Specifically, Cenikor did not meet requirements related to:

- Delivering monitoring and counseling services key to (a) the health and safety of clients and (b) achieving successful outcomes.
- Assuring (a) an admission order was signed within 24 hours and (b) treatment plans were closed within 5 service days.
- Maintaining evidence to support performance of, and compliance with, program and contractual requirements related to medical, clinical, opioid consent, referral, and referral follow-up activities.
- Ensuring billing requirements are met, to include verifying:
 - Only one service type was billed when a client transferred from withdrawal management to intensive residential.
 - The facility billed for days only when the client was present.

Cenikor met TAC and contractual requirements⁵ related to ensuring clients admitted into residential withdrawal management (a) had a diagnosis consistent with the CMBHS assessment and (b) received a timely face-to-face examination.

OIG Audit selected statistically valid random samples for the two service types tested—residential withdrawal management and intensive residential.

⁵ According to the contracts, Contractor shall comply with all applicable Texas Administrative Code (TAC) rules related to substance use disorder services Program Attachment No. 3, HHSC Contract #2016-048649, “Adult Residential Detoxification” § C(1)(a) and “Adult Intensive Residential” § C(1)(a), (Sept. 1, 2015), as amended, and HHSC Contract HHS000663700242, Attachment A § III (A)(4) (Sept. 1, 2020).

Table 1 details the populations and samples for each service type.

Table 1: Populations and Samples by Service Type

Description	Residential Withdrawal Management	Intensive Residential
Total Clients in Population	1,113	335
Total Dollars in Population	\$1,690,569	\$786,776
Number of Clients Tested	60	60
Number of Admissions Tested ⁶	109	66
Dollars Tested	\$126,288	\$157,609

Source: *OIG Audit*

Exceptions are detailed in the issues that follow. OIG Audit communicated other less significant issues to Cenikor in writing.

Issue 1: Cenikor Did Not Consistently Provide Evidence That It Delivered Required Monitoring and Counseling Services

In Region 11, Cenikor did not consistently provide support that it performed required (a) monitoring activities for clients admitted to its residential withdrawal management service type, or (b) counseling services for clients admitted to its intensive residential service type.

OIG Audit reviewed progress notes for selected clients who received residential withdrawal management and intensive residential services between September 1, 2019, and December 31, 2020. Monitoring withdrawal management clients is important to help ensure the safety of clients experiencing acute physical intoxication and withdrawal symptoms. For clients receiving intensive residential services, chemical dependency and additional counseling is important to ensure client engagement and relapse prevention.

⁶ Some clients had more than one admission or service begin date during the audit scope.

Table 2 summarizes monitoring and counseling requirements. OIG Audit tested core contractual requirements related to the health and safety of clients admitted to the service types.

Table 2: Key Monitoring and Counseling Requirements

Service Type	Service	Requirement	Timeframe
Residential Withdrawal Management	Monitoring	Every 4 hours	First 72 hours
Intensive Residential	Counseling	<ul style="list-style-type: none"> 10 hours of chemical dependency counseling per week including one hour of individual counseling 10 hours of additional counseling⁷ per week 	Per week

Source: 25 Tex. Admin. Code §§ 448.902 (g) and 448.903(d) (Sept. 1, 2004)

Clients entering the withdrawal management service type who do not receive the minimum standard of monitoring could have untreated symptoms or incur physical harm, relapse, drug overdose, infection, or death. In addition, chemical dependency counseling helps intensive residential clients develop coping strategies and tools to abstain from drug use and maintain abstinence, as well as addresses employment status, illegal activity, and family and social relations. Additional counseling can help with social reinforcement and promote drug-free lifestyles. Clients are more at risk of relapse when they do not receive required counseling.

Based on contractual requirements, OIG Audit identified an error when a required monitoring or counseling service was not performed while the client was admitted in a service type, as follows:

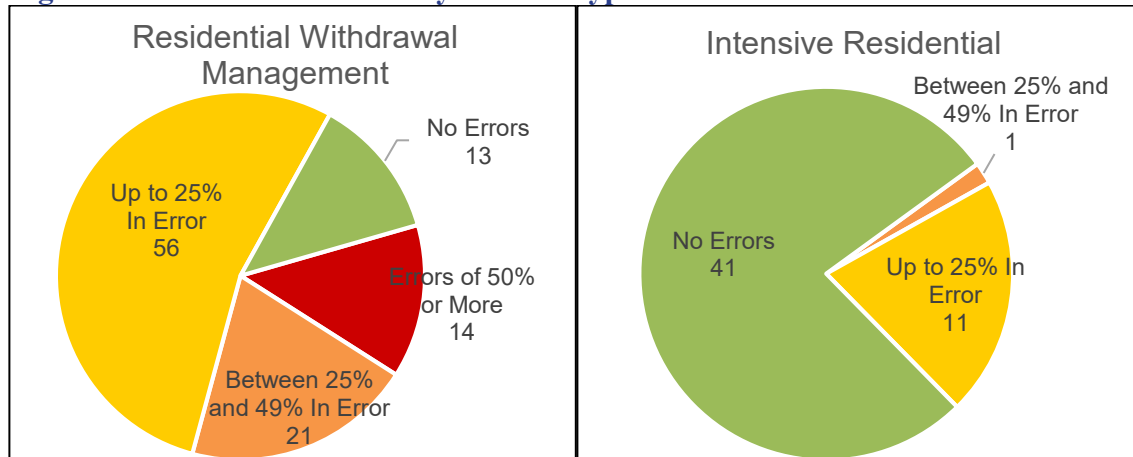
- Residential Withdrawal Management—Cenikor did not provide evidence that the client received withdrawal monitoring every 4 hours for the first 72 hours.
- Intensive Residential—Cenikor did not provide evidence that the client consistently received the required chemical dependency or additional counseling sessions.

⁷ Additional counseling is used in this context to include the full TAC requirement of additional counseling, chemical dependency education, life skills training, and relapse prevention education. 25 TAC § 448.903 (d)(2) (Sept. 1, 2004).

Figure 1 summarizes test results for each service type, including:

- 13 percent of the residential withdrawal management admissions tested received all required monitoring.
- Slightly more than three-quarters of the intensive residential admissions tested received the minimum required counseling, primarily through the provision of additional counseling.

Figure 1: Admissions Errors by Service Type



Source: OIG Audit

Test results for admissions tested are detailed in Table 3.

Table 3: Summary of Monitoring and Counseling Testing Results

	Residential Withdrawal Management	Intensive Residential
Total Admissions Tested ⁸	104	53
50% or More of Required Monitoring or Counseling Was Not Conducted	14 (13%)	0 (0%)
Between 25% and 49% of Required Monitoring or Counseling Was Not Conducted	21 (20%)	1 (2%)
Up to 25% of Required Monitoring or Counseling Was Not Conducted	56 (54%)	11 (21%)
Total Admissions in Which at Least One Required Monitoring or Counseling Was Not Conducted	91 (88%)	12 (23%)
Total Admissions in Which All Required Monitoring or Counseling Was Conducted	13 (13%) ⁹	41 (77%)

Source: OIG Audit

Of the 104 total residential withdrawal management admissions tested, 14 (13 percent) were missing support for 50 percent or more of the required monitoring services. OIG Audit observed that none of these 14 admissions occurred after May 2020, and of the 53 intensive residential admissions tested, none had an error rate exceeding 50 percent.

Payments for Admissions in Which 50 Percent or More of Monitoring Services Were Not Supported

Monitoring clients admitted into the residential withdrawal management service type helps ensure their health and safety and supports claim payments received from HHSC.

Due to the importance of these essential activities, OIG Audit identified for recovery amounts paid to Cenikor for admissions where delivery of, or support for, 50 percent or more of required monitoring was not provided.

⁸ The number of admissions tested for residential withdrawal management differs from the total admissions as five clients were not at the facility during the period billed for that client. The number of admissions tested for intensive residential differs from the total admissions in the sample as 13 admissions were in the service type for less than a week.

⁹ Percentages do not total to 100 percent due to rounding.

Table 4 details the results of testing and associated amounts paid to Cenikor for the sampled admissions.

Table 4: Monitoring Errors of 50 Percent or More

Residential Withdrawal Management	
Total Admissions Tested	104
Total Amount Paid for Tested Admissions	\$120,464
Admissions for Which 50% or More of Required Monitoring Was Not Conducted	14 (13%)
Amount Paid for Admissions in Which 50% or More of Required Monitoring Was Not Conducted	\$15,680

Source: *OIG Audit*

OIG calculated an error rate for the overpayment amount identified for the statistically valid random sample of clients tested, which was applied to the population of associated claims using extrapolation. The calculations resulted in an extrapolated amount of \$194,205.11 for admissions for which at least 50 percent of required monitoring was not provided. See Appendix A for the sampling and extrapolation methodology.

Recommendation 1a

As required by contract, Cenikor should:

- Ensure monitoring for residential withdrawal management clients occurs at least every 4 hours for the first 72 hours and is documented in CMBHS.
- Ensure the chemical dependency and additional counseling is provided to each client as required by TAC and is documented in CMBHS.

Management Response

Action Plan

- *Compliance audits have been implemented, conducting daily samples reviewing documentation for:*
 - *Confirming that monitoring for detoxification clients occurs at least every 4 hours for the first 72 hours for residential.*
 - *Confirming that clients receive the required chemical dependency and additional counseling as determined by service level.*
- *All compliance audit results are available and provided daily to alert staff of immediate feedback and correction via a live compliance auditing method.*
- *Re-education and training with Nurse and Clinical Managers was initially completed over the course of 4 days, March 1-4th. These managers then*

transmitted the same training and information to their staff, with completion dates occurring before March 31, 2021.

- *Topics Included:*
 - *Ensuring monitoring for withdrawal management clients occurs at least every 4 hours for the first 72 hours for residential and is documented appropriately.*
 - *Ensuring that clients receive the required chemical dependency and additional counseling as determined by service level and is documented in CMBHS appropriately.*
- *Cenikor's Training Department will develop and implement a continuation of this training into SAP Litmos, Cenikor's Learning Management System. The development of said trainings will be completed by September 30, 2021.*
 - *Within SAP Litmos, the trainings will be broken into two modules:*
 - *TAC 448 Training*
 - *Statement of Work Training*
 - *All applicable staff will again be trained on these topics, in their new SAP Litmos form by October 31, 2021.*
 - *After completion, these modules will require a knowledge-based check and a supervisor signature to ensure understanding.*
 - *These trainings and process will then occur at a yearly basis thereafter and for all new hires during their orientation phase.*

Responsible Manager

Assistant Vice President of Clinical Services

Target Implementation Date

October 31, 2021

Recommendation 1b

Cenikor should return \$194,205.11 to the state of Texas.

Management Response

Action Plan

The calculation for overpayment is understood and will return the \$194,205.11 to the State of Texas.

Issue 2: Cenikor Did Not Provide Evidence to Support That It Consistently Met Program and Contractual Requirements

Cenikor did not maintain evidence to support that it consistently performed and complied with program and contractual requirements for Region 11 related to medical, clinical, opioid consent, and referral and referral follow-up activities.¹⁰

OIG Audit tested documentation provided by Cenikor intended to ensure direct care and clinical services were performed, and to determine whether:

- Clients admitted for residential withdrawal management services received admission orders, the primary diagnosis in the CMBHS assessment matched the admission order, and clients received a face-to-face examination.
- Clients were involved in their individual discharge planning and received counseling and other clinical activities designed to support recovery while receiving services from Cenikor.
- Clients with an opioid diagnosis were appropriately informed of and consented to the service types for which they were admitted.
- Referrals to post-discharge services such as another level of service (for residential withdrawal management clients), housing, employment, and other support were provided.
- Referral follow-up was performed and documented to ensure clients received support services to assist in their continued recovery.

Audit issues, categorized by medical, clinical, opioid consent, referral and referral follow-up, are presented in the sections that follow.

Medical

Residential withdrawal management admissions were tested to ensure that admissions and face-to-face examinations were completed and that the primary diagnosis in CMBHS matched the admission orders. The withdrawal management evaluation is intended to determine (a) whether a client is currently intoxicated and to what degree, (b) the type and severity of the withdrawal syndrome, (c) information regarding past withdrawals, and (d) other conditions that may require specialized care.

¹⁰ HHSC Contract #2016-048649 (Sept. 1, 2015), as amended, and HHSC Contract HHS000663700242 (Sept. 1, 2020).

OIG Audit reviewed evidence provided by Cenikor for two medical requirements associated with client admissions. A summary of the test results for 104 applicable admissions follows:

- Of the 103 admissions with an order, 8 (8 percent) were not properly authorized by the medical director or designee (physician, physician assistant, or nurse practitioner) as required.¹¹ Of the remaining 95 orders tested, 6 (6 percent) were not signed within 24 hours of admission.¹²
- Of the 103 records with a medical history and physical evaluation as evidence of face-to-face examinations, 7 (7 percent) were not documented as having been performed by the medical director or designee (physician, physician assistant, or nurse practitioner, as required).¹³ Of the remaining 96 face-to-face examinations tested, all had residential withdrawal management face-to-face examinations signed within 24 hours of admission.¹⁴
- Vital signs were not documented in 27 percent of the monitoring notes tested.¹⁵ The majority of instances in which vital signs were not documented occurred during the early morning hours when the clients were asleep. Vital signs are necessary to gauge how well the clients are managing under the assigned protocol, especially within the first 72 hours.

By not obtaining required authorizations and performing required examinations for withdrawal management clients, Cenikor could incorrectly place clients in withdrawal management or not ensure they experience a safe withdrawal process.

Recommendation 2a

As required by contract, Cenikor should ensure:

- The medical director or designee (physician, physician assistant, or nurse practitioner) documents authorization of residential withdrawal management admissions within 24 hours of admission.
- The medical director or their designee (physician, physician assistant, or nurse practitioner) documents the face-to-face examination of residential withdrawal management clients within 24 hours of admission.

¹¹ 25 Tex. Admin. Code § 448.902 (e) (Sept. 1, 2004).

¹² 25 Tex. Admin. Code § 448.902 (e)(3) (Sept. 1, 2004).

¹³ 25 Tex. Admin. Code § 448.902 (e) (Sept. 1, 2004).

¹⁴ 25 Tex. Admin. Code § 448.902 (e)(3) (Sept. 1, 2004).

¹⁵ 25 Tex. Admin. Code § 448.902 (g)(1)(B) (Sept. 1, 2004).

- Vital signs are documented in all residential withdrawal management monitoring notes.
- All relevant medical documentation is retained in CMBHS.

Management Response

Action Plan

- *Compliance audits have been implemented, conducting daily samples reviewing documentation for:*
 - *Confirming the Medical Director or designee has authorized the admissions for detoxification services within 24 hours of admission.*
 - *Confirming the Medical Director or designee conducts a face to face (in person or via telehealth platform) examination within 24 hours of admission.*
 - *Confirming the health assessment has been completed for residential clients within 96 hours of admission.*
 - *Confirming vital signs are documented in all residential withdrawal management monitoring notes.*
 - *Ensuring the appropriate documentation is uploaded into CMBHS.*
- *All compliance audit results are available and provided daily to alert staff of immediate feedback and correction via a live compliance auditing method.*
- *Re-education and training with Nurse and Clinical Managers was initially completed over the course of 4 days, March 1-4th. These managers then transmitted the same training and information to their staff, with completion dates occurring before March 31, 2021.*
 - *Topics Included:*
 - *Ensuring the Medical Director or designee has authorized the admissions for detoxification services and is documenting appropriately.*
 - *Ensuring the Medical Director or designee conducts a face to face (in person or via telehealth platform) examination within 24 hours of admission and is documenting appropriately.*
 - *Ensuring the health assessment has been completed for residential clients within 96 hours of admission and is documented appropriately.*
 - *Confirming vital signs are documented in all residential withdrawal management monitoring notes.*
 - *Ensuring the appropriate documentation is uploaded into CMBHS.*
- *Cenikor's Training Department will develop and implement a continuation of this training into SAP Litmos, Cenikor's Learning Management System. The development of said trainings will be completed by September 30, 2021.*
 - *Within SAP Litmos, the trainings will be broken into two modules:*
 - *TAC 448 Training*

- *Statement of Work Training*
- *All applicable staff will again be trained on these topics, in their new SAP Litmos form by October 31, 2021.*
 - *After completion, these modules will require a knowledge-based check and a supervisor signature to ensure understanding.*
 - *These trainings and process will then occur at a yearly basis thereafter and for all new hires during their orientation phase.*

Responsible Manager

Assistant Vice President of Clinical Services

Target Implementation Date

October 31, 2021

Clinical

Auditors considered documentation to be clinical documentation if it was required to be completed by qualified credentialed counselors.¹⁶ OIG Audit reviewed clinical documentation for completion in CMBHS, as well as documentation of client involvement in their treatment process. Clinical activities are designed to ensure the client (a) is placed in the appropriate setting, (b) receives an individualized approach to treatment, (c) is classified in a treatment service type that is changing with their needs, and (d) is engaged in their treatment.

Clinical Interactions

Planned structured activities ensure the clients' engagement in treatment and provide the client with tools to ensure sobriety after treatment. Cenikor did not provide the required planned activities for all 53 (100 percent) applicable intensive residential clients tested.¹⁷ However, records suggest that Cenikor exceeded the minimum requirements for additional counseling as staff provided 43 percent more additional counseling than required. OIG Audit observed that the treatment activity often appeared to be misclassified as additional counseling rather than planned activities, which might inflate the recorded amount of additional counseling provided to tested clients.

¹⁶ A qualified credentialed counselor is a licensed chemical dependency counselor or one of the practitioners that meet the state of Texas requirements for treating substance-related disorders 25 Tex. Admin. Code § 441.101 (98) (Sept. 1, 2004).

¹⁷ 25 Tex. Admin. Code § 448.903 (d)(3) (Sept. 1, 2004).

Additionally, Cenikor did not provide all required daily interactions¹⁸ for 80 of 100¹⁹ (80 percent) clients tested in residential withdrawal management. During withdrawal management, clients may not be physically or mentally capable of meeting with the counselor; however, unsuccessful attempts should be documented in CMBHS. Providing required daily interaction with clients increases the likelihood that they will complete treatment and achieve an effective outcome.

Discharge Planning

To document a client's involvement in discharge planning, the counselor must (1) create the discharge plan in CMBHS, (2) print that plan so the client can review and keep a copy, (3) have the client sign and date it as evidence of their participation, and (4) scan the signed and dated plan into CMBHS to record the participation. OIG Audit tested three clinical requirements to determine whether documentation supported that discharge plans were updated for next steps and reviewed with the client.

Cenikor did not:

- Document that a counselor performed required discharge planning in CMBHS timely.²⁰ Specifically, discharge plans were not completed prior to the client's discharge for:
 - 28 of 103²¹ (27 percent) clients admitted into residential withdrawal management.
 - 26 of 64²² (41 percent) clients admitted into intensive residential.

¹⁸ Daily interactions are designed to assess the client's readiness for change, motivation, and engage in treatment and transfer to another intensity of treatment. The daily sessions should be completed by a registered nurse, qualified credentialed counselor, or counselor intern. 25 Tex. Admin. Code § 448.902 (h) (Sept. 1, 2004).

¹⁹ Four clients who were at the facility for a partial day were not included in testing for daily interactions.

²⁰ 25 Tex. Admin. Code § 448.805 (e) (Sept. 1, 2004).

²¹ One client left on the same day; therefore, 103 rather than 104 clients were tested for this attribute.

²² One client was transferred to withdrawal management on the same day and another client was moved to another program type; therefore, 64 rather than 66 clients were tested for this attribute.

- Document client involvement with a total of 69 of 90²³ (77 percent) discharge plans for residential withdrawal management clients.²⁴ Specifically:
 - Signed and dated discharge plans were not located for 61 of 90 (68 percent) residential withdrawal management clients.
 - Discharge plans for 8 of 90 (9 percent) clients were not signed and dated by both the counselor and the client.

- Document client involvement with a total of 43 of 50²⁵ (86 percent) discharge plans for intensive residential clients.²⁶ Specifically:
 - Signed and dated discharge plans were not located for 41 of 50 (82 percent) intensive residential clients.
 - Discharge plans for 2 of 50 (4 percent) clients were not signed and dated by both the counselor and the client.

Treatment Plan

Cenikor did not always complete the treatment plan in CMBHS within five service days of admission as required.²⁷ For 12 clients, Cenikor did not complete a treatment plan in CMBHS within 5 service days, and treatment plans for 2 of the 12 clients were not completed until the 12th and 13th day after admission, respectively. Treatment plans not being completed timely can result in possible delayed treatment and treatment documentation.

Including clients in treatment planning and discharge planning helps ensure the client agrees with the recommended recovery steps and the treatment and discharge plans are aligned with the clients' needs. Providing required daily interaction with clients increases the likelihood that they will complete treatment and achieve an effective outcome. Cenikor risks the clients' success when it neglects to perform these activities.

²³ Thirteen clients either left against professional advice, were discharged by the provider or medically discharged, or were noted as leaving without signing and dating their discharge plan, resulting in 90 clients eligible for this test.

²⁴ 25 Tex. Admin. Code § 448.805 (g) and (h) (Sept. 1, 2004).

²⁵ Eleven clients either left against professional advice or were discharged by the provider, one client was noted as leaving without signing, and two clients did not have a discharge plan in CMBHS, resulting in 50 clients eligible for this test.

²⁶ 25 Tex. Admin. Code § 448.805 (g) and (h) (Sept. 1, 2004).

²⁷ 25 Tex. Admin. Code § 448.804 (f) (Sept. 1, 2004).

Recommendation 2b

As required by contract, Cenikor should ensure:

- Required planned activity treatment services are provided for clients admitted into intensive residential service and daily interactions are provided for clients admitted into withdrawal management.
- Clients participate in their individual treatment program, to include signing and dating final discharge plans.
- Treatment plans are completed in CMBHS within required timelines.

Management Response

Action Plan

- *Compliance audits have been implemented, conducting daily samples reviewing documentation for:*
 - o *Confirming that the required planned activity treatment services are provided for clients who admitted into intensive residential services and daily interactions are provided for clients who admitted into withdrawal management.*
 - o *Confirming clients have participated in the development of their individual treatment program through verification, and that the client has signed and dated their clinical documentation detailing treatment.*
 - o *Confirming that treatment plans are completed in CMBHS within required timelines*
- *All compliance audit results are available and provided daily to alert staff of immediate feedback and correction via a live compliance auditing method.*
- *Re-education and training with Nurse and Clinical Managers was initially completed over the course of 4 days, March 1-4th. These managers then transmitted the same training and information to their staff, with completion dates occurring before March 31, 2021.*
 - *Topics Included:*
 - *Ensuring that the required planned activity treatment services are provided for clients who admitted into intensive residential services and daily interactions are provided for clients who admitted into withdrawal management.*
 - *Ensuring clients have participated in the development of their individual treatment program through verification, and that client has signed and dated their clinical documentation detailing treatment.*
 - *Ensuring that treatment plans are completed in CMBHS within required timelines.*

- *Cenikor’s Training Department will develop and implement a continuation of this training into SAP Litmos, Cenikor’s Learning Management System. The development of said trainings will be completed by September 30, 2021.*
 - *Within SAP Litmos, the trainings will be broken into two modules:*
 - *TAC 448 Training*
 - *Statement of Work Training*
 - *All applicable staff will again be trained on these topics, in their new SAP Litmos form by October 31, 2021.*
 - *After completion, these modules will require a knowledge-based check and a supervisor signature to ensure understanding.*
 - *These trainings and process will then occur at a yearly basis thereafter and for all new hires during their orientation phase.*

Responsible Manager

Assistant Vice President of Clinical Services

Target Implementation Date

October 31, 2021

Opioid Consent

OIG Audit tested both service types to determine whether opioid consent forms were signed and dated by the client and staff to verify the client’s decision to accept treatment, as required by Cenikor’s contracts.

Consent to opioid treatment may be necessary in either of the two service types tested. Clients with an opioid use disorder are required to sign the “Informed Consent for Opiate Use Disorder Individuals Seeking Treatment – Adults” form (HHSC consent form) indicating the treatment option they are choosing.²⁸ When a client is admitted with a diagnosis of opioid addiction, the client and counselor go through the consent process, in which the client is informed of the risks and benefits of the different treatment options and the client chooses one. The client and counselor are required to sign the consent form, which is then uploaded to CMBHS.

The HHSC consent form outlines the benefits and risks associated with (a) medication-assisted treatment for opioid use (long-term), (b) medically managed withdrawal treatment (short-term), and (c) no treatment (continue using opioids). The form also offers the option “not applicable” for clients who feel the first three choices do not apply to them. Cenikor created its own form to document opioid

²⁸ Program Attachment No. 3, HHSC Contract #2016-048649, “Adult Residential Detoxification” § C(2)(h), and “Adult Intensive Residential” § C(2)(d) (Sept. 1, 2015), as amended, and HHSC Contract HHS000663700242, Attachment A, § III (B)(4)(vi) (Sept. 1, 2020).

informed consent. While not contractually sufficient, auditors considered Cenikor's own form as evidence that some consent was obtained.

Cenikor did not consistently engage clients diagnosed with an opioid disorder in the process of informed consent, which would result in a completed opioid consent form. Cenikor is required to document the process of informed consent in the opioid consent form and upload the form to CMBHS.²⁹

Based on the forms uploaded to CMBHS:

- Cenikor did not obtain opioid informed consent for 13 of 60 (22 percent) applicable clients in residential withdrawal management services. Specifically, for the 13 errors:
 - Opioid consent forms were not located for 9 of 60 (15 percent) residential withdrawal management clients.
 - Opioid consent forms were not signed and dated by both staff and client, within 24 hours of beginning services,³⁰ for 4 of 60 (7 percent) residential withdrawal management clients.

- Cenikor did not obtain opioid informed consent for 7 of 18 (39 percent) applicable clients in intensive residential services. Specifically, for the 7 errors:
 - Opioid consent forms were not located for 6 of 18 (33 percent) intensive residential clients.
 - Opioid consent forms were not signed and dated by both staff and client, within 24 hours of beginning services,³¹ for one (8 percent) intensive residential client.

Cenikor did not have adequate procedures in place to ensure clients participated in the opioid informed consent process. This may result in placing clients in a care setting that does not meet clients' needs.

²⁹ Program Attachment No. 3, HHSC Contract #2016-048649, "Adult Residential Detoxification" § C(2)(h), "Adult Intensive Residential" § C(2)(d), (Sept. 1, 2015), as amended, and HHSC Contract HHS000663700242, Attachment A, § III (A)(5) (Sept. 1, 2020).

³⁰ 25 Tex. Admin. Code § 448.802 (b) and (c) (Sept. 1, 2004).

³¹ 25 Tex. Admin. Code § 448.802 (b) and (c) (Sept. 1, 2004).

Recommendation 2c

As required by contract, Cenikor should ensure:

- The HHSC approved “Informed Consent for Opiate Use Disorder Individuals Seeking Treatment – Adults” form is provided to all clients with an opioid diagnosis
- Signed and dated opioid consent forms are maintained in CMBHS

Management Response

Action Plan

- *Compliance audits have been implemented, conducting daily samples reviewing documentation for:*
 - *Confirming that the HHSC approved “Informed Consent for Opiate Use Disorder Individuals Seeking Treatment – Adults” is provided, signed, dated, and uploaded into CMBHS as applicable (individuals with Opioid Use Disorder).*
- *All compliance audit results are available and provided daily to alert staff of immediate feedback and correction via a live compliance auditing method.*
- *Re-education and training with Nurse and Clinical Managers was initially completed over the course of 4 days, March 1-4th. These managers then transmitted the same training and information to their staff, with completion dates occurring before March 31, 2021.*
 - *Topics Included:*
 - *Ensuring that the HHSC approved “Informed Consent for Opiate Use Disorder Individuals Seeking Treatment – Adults” is provided, signed, dated, and uploaded into CMBHS as applicable (individuals with Opioid Use Disorder).*
- *Cenikor’s Training Department will develop and implement a continuation of this training into SAP Litmos, Cenikor’s Learning Management System. The development of said trainings will be completed by September 30, 2021.*
 - *Within SAP Litmos, the trainings will be broken into two modules:*
 - *TAC 448 Training*
 - *Statement of Work Training*
 - *All applicable staff will again be trained on these topics, in their new SAP Litmos form by October 31, 2021.*
 - *After completion, these modules will require a knowledge-based check and a supervisor signature to ensure understanding.*
 - *These trainings and process will then occur at a yearly basis thereafter and for all new hires during their orientation phase.*

Responsible Manager*Assistant Vice President of Clinical Services*Target Implementation Date*October 31, 2021***Referral and Referral Follow-Up**

OIG Audit tested both service types for required documentation of referrals³² and referral follow-up. Referrals are provided for continued treatment and supplemental medical, psychiatric, employment, housing, food, and other services, and are intended to support the client in addressing interdependent conditions. Referral follow-up is required by Cenikor's contracts³³ and helps eliminate administrative barriers.

Activities reviewed included:

- Referrals completed for clients with a discharge plan³⁴
- Referral to another level of care documented for clients in residential withdrawal management³⁵
- Referral follow-up documented

Cenikor could not provide evidence that required referral and referral follow-up activities were consistently performed for both service types tested. Specifically, Cenikor made the following errors in referrals among the discharges tested:

- No referral documented in the CMBHS referral screen:
 - 8 of 91³⁶ (9 percent) clients in residential withdrawal management
 - 11 of 56 (20 percent) clients in intensive residential

³² "Referral" is the process of identifying appropriate services and providing the information and assistance needed to access them. 25 Tex. Admin. Code § 441.101 (101) (Sept. 1, 2004).

³³ Program Attachment No. 3, HHSC Contract #2016-048649, "Adult Residential Detoxification" § C(2)(w), "Adult Intensive Residential" § C(2)(o), (Sept. 1, 2015), as amended, and HHSC Contract HHS000663700242, Attachment A, § III (D)(3) (Sept. 1, 2020).

³⁴ 25 Tex. Admin. Code § 448.805 (f)(2) (Sept. 1, 2004).

³⁵ 25 Tex. Admin Code § 448.902 (h) (5) (Sept. 1, 2004).

³⁶ Nine clients did not have a discharge plan documented, one client left non-emergent, one client was medically discharged, and one client was discharged by provider; therefore, 91 clients, rather than 103, were eligible for testing.

- No specific referrals in their discharge plans:³⁷
 - 7 of 91 (8 percent) clients in residential withdrawal management
 - 14 of 56 (25 percent) clients in intensive residential
- No referral to another level of care:³⁸
 - 13 of 84 (15 percent) clients in residential withdrawal management
- No required client follow-up performed or documented:
 - 34 of 77 (44 percent) clients in residential withdrawal management
 - 3 of 44³⁹ (7 percent) clients in intensive residential

Since required referral and referral follow-up activities were not consistently completed, Cenikor cannot assure HHSC that clients discharged from Cenikor received additional services to support their continued recovery.

Recommendation 2d

As required by contract, Cenikor should ensure discharge activities are performed and documented in CMBHS, including:

- Entering referrals in CMBHS
- Completing referral follow-ups in CMBHS

Management Response

Action Plan

- *Compliance audits have been implemented, conducting daily samples reviewing documentation for:*
 - *Confirming referrals have been discussed and entered into CMBHS in the appropriate referral section.*
- *Compliance audits will incorporate a process for ensuring referral follow-ups are occurring in CMBHS by September 30, 2021*
- *All compliance audit results are available and provided daily to alert staff of immediate feedback and correction via a live compliance auditing method.*
- *Re-education and training with Nurse and Clinical Managers was initially completed over the course of 4 days, March 1-4th. These managers then transmitted the same training and information to their staff, with completion dates occurring before March 31, 2021.*

³⁷ 25 Tex. Admin. Code § 448. 805 (f) (2) (Sept. 1, 2004).

³⁸ Clients in intensive residential are not required to be referred into another level of care.

³⁹ One client had a change in eligibility; therefore, referral follow-up was considered not applicable for this client.

- *Topics included:*
 - *Ensuring referrals are discussed and entered into CMBHS.*
- *Education and training with the Access Center staff was completed on March 18, 2021.*
 - *Topics Included:*
 - *Ensuring that the current status and reason contact was unsuccessful is documented into CMBHS in the appropriate referral section.*
- *Cenikor's Training Department will develop and implement a continuation of this training into SAP Litmos, Cenikor's Learning Management System. Additionally, these trainings will incorporate the utilization of the referral screen in CMBHS by both Clinical and Medical Staff. The development of said trainings will be completed by September 30, 2021.*
 - *Within SAP Litmos, the trainings will be broken into two modules:*
 - *TAC 448 Training*
 - *Statement of Work Training*
 - *All applicable staff will again be trained on these topics, in their new SAP Litmos form by October 31, 2021.*
 - *After completion, these modules will require a knowledge-based check and a supervisor signature to ensure understanding.*
 - *These trainings and process will then occur at a yearly basis thereafter and for all new hires during their orientation phase.*

Responsible Manager

Assistant Vice President of Clinical Services

Target Implementation Date

October 31, 2021

Issue 3: Certain Cenikor Billing Practices Resulted in Overpayments

OIG Audit tested the residential withdrawal management and intensive residential population for billing requirements. Audit issues, categorized as “transition day” or “end date,” are presented in the sections that follow.

Transition Day

Cenikor billed for some clients on a transition day, which is the day a client transfers from one service type to another. Cenikor’s contracts state that it may bill for only one intensity of service and service type (either outpatient or residential) per client per day, with limited exceptions.⁴⁰ In 98 instances during the audit period, Cenikor billed HHSC and was paid for both residential withdrawal management and intensive residential on the same day. As a result of incorrectly billing the intensive residential rate in addition to the residential withdrawal management rate, Cenikor was overpaid \$10,694.44.⁴¹

End Date

Cenikor billed for days the client was not at the facility as the Service End function in CMBHS was not completed timely, specifically:

- Cenikor billed for 31 residential withdrawal management days when the client was not at the facility and received overpayments of \$6,944 for those incorrect billings. The residential withdrawal management overpayment amount is a component of the extrapolated overpayment amount identified in Issue 1 and included with the recovery amount in Recommendation 1b. See Appendix A for the extrapolation methodology.
- Cenikor also billed for one day of intensive residential when the client was at the facility and received an overpayment of \$108. The \$108 was not part of the extrapolated overpayment amount and should be repaid.

These incorrect billings occurred because Cenikor did not have written billing policies and procedures in place to ensure it billed (a) one intensity of service and service type per day for clients and (b) only for days when the client received services at the Region 11 facility.

⁴⁰ HHSC Contract #2016-048649, Substance Abuse – Additional Provisions § 34.04, (Sept. 1, 2015), as amended, and HHSC Contract HHS000663700242, Attachment E § 5.19 (Sept. 1, 2020).

⁴¹ OIG Audit calculated the overpayment by determining the number of transition days Cenikor was paid both the withdrawal management and intensive residential daily rates for a client and multiplying the number of days by the intensive residential daily rate, which is the lower of the two rates.

Recommendation 3

Cenikor should:

- Ensure policies and procedures for billing practices are consistent with contract requirements, documented, and provided to appropriate billing staff.
- Return the overpayment of \$10,802.44 to the state of Texas.

Management Response

Action Plan

- *The billing department procedures have been updated and provided to the appropriate billing staff regarding transition days. A full billing audit of transition days was conducted from January 2021 to current. All duplicate billing that occurred as a result of transition days has been reversed.*
- *The calculation for overpayment is understood and will return the \$10,802.44 to the State of Texas.*

Responsible Manager

Chief Financial Officer

Implementation Date

Completed

CONCLUSION

Cenikor did not consistently comply with core contractual requirements for providing adult substance use disorder program services in Region 11 during the audit scope period of September 1, 2019, through December 31, 2020.

Specifically, Cenikor did not ensure certain clients admitted into residential withdrawal management consistently received required monitoring or clients admitted into intensive residential treatment received required counseling services.

Additionally, Cenikor did not consistently meet TAC and contractual requirements when providing services. Specifically, Cenikor did not:

- Maintain evidence to support performance of, and compliance with, program and contractual requirements related to medical, clinical, opioid consent, and referral or referral follow-up activities.
- Ensure billing processes met contractual requirements by billing (a) for only one service type per day and (b) only for days when clients were present at the facility.

Cenikor met the following TAC and contractual requirements: (a) clients with an admission order for withdrawal management had a signed admission order and (b) clients in residential withdrawal management received a timely and appropriately authorized face-to-face examination.

OIG Audit offered recommendations to Cenikor, which, if implemented, will correct deficiencies in compliance with TAC and contractual requirements.

Cenikor should return \$205,007.55 to the state of Texas, which consists of:

- \$194,205.11 for which Cenikor did not provide support that (a) it delivered 50 percent or more of a client's required monitoring or (b) clients were present at the facility on the days billed.
- 10,694.44 billed for a service type more than once per day.
- \$108 billed for when intensive residential clients were not present at the facility.

In addition, other audit issues identified in this report may be subject to liquidated damages⁴² or OIG administrative enforcement measures,⁴³ including administrative penalties.⁴⁴

OIG Audit thanks management and staff at Cenikor, HHSC Intellectual and Developmental Disability and Behavioral Health Services, and HHSC Regulatory Services for their cooperation and assistance during this audit.

⁴² HHSC Contract #2016-048649, Substance Abuse - Additional Provisions § 30.02, (Sept. 1, 2015), as amended, and HHSC Contract HHS000663700242, Attachment E § 5.24 (b) (Sept. 1, 2020).

⁴³ 1 Tex. Admin. Code § 371.1603 (May 20, 2020).

⁴⁴ Tex. Hum. Res. Code § 32.039 (Apr. 2, 2015).

Appendix A: Sampling Methodology

OIG Audit selected and tested statistically valid random samples of clients for whom Cenikor was paid for providing residential withdrawal management and intensive residential services during the scope period. The samples were designed to be representative of the respective populations; therefore, it is appropriate to project the results of the samples to the respective populations.

Table A.1 shows the clients and amount paid for the sample population as well as the total paid under the contracts for the respective service type.

Table A.1: Testing Populations and Samples by Service Type

Description	Residential Withdrawal Management	Intensive Residential
Total Clients in Population	1,113	335
Total Dollars in Population	\$1,690,569	\$786,776
Number of Clients Tested	60	60
Number of Admissions Tested	109	66
Dollars Tested	\$126,288	\$157,609

Source: *OIG Audit*

The number of admissions considered applicable varies due to the following considerations:

- Timing of discharge or transfer. For example, if a client left before the time requirement of the attribute would need to be met, then the admission was considered not eligible for testing that attribute.
- Reason the client was discharged. If the client left against professional advice or was involuntarily discharged by the provider, then certain documentation was not expected to be completed or signed and dated.
- A requirement that is dependent on another attribute for testing. For example, if the discharge plan could not be located in the system, admission was considered not applicable for testing of referrals being completed in the discharge plan.

Overpayments and Extrapolation

The \$205,007.55 recoupment amount includes \$194,205.11 in extrapolated recoveries and \$10,802.44 in dollar-for-dollar recoveries.

Extrapolated Recoveries

Overpayments identified during testing of the statistically valid random sample of clients admitted into the withdrawal management service type were used to calculate an error rate, which was applied to the population using extrapolation. The population included for extrapolation consisted of claims paid to Cenikor, Region 11, for residential withdrawal management clients from September 1, 2019, through December 31, 2020, as shown in Table A.2:

Table A.2: Residential Withdrawal Management Testing Population

Description	Residential Withdrawal Management
Total Clients in Population	1,113
Total Dollars in Population	\$1,690,569

Source: *OIG Audit*

Only claims that had an error rate of 50 percent or higher associated with monitoring within the first 72 hours were extrapolated, using the payment amount for admissions. Of the 104 total residential withdrawal management admissions tested, 14 (13 percent) were missing support for 50 percent or more of the required monitoring services. Of the 53 intensive residential admissions tested, none had an error rate exceeding 50 percent.

The 16 claims with exceptions subject to extrapolation are detailed in Issues 1 and 3 and summarized in Table A.3:

Table A.3: Summary of Exceptions Subject to Extrapolation

Review Order	Issue 1	Issue 3
2	\$ 1,344	—
5	—	\$ 448
13	672	2,016
17	1,568	—
21	672	896
25 ⁴⁵	2,688	—
26	1,792	—
29	1,344	—
37	—	1,120
38	1,120	—
39	448	1,568
46	672	—
47	896	—
50	1,344	—
57	1,120	—
59	—	896
Total	\$15,680	\$6,944

Source: *OIG Audit*

By extrapolating the results of the sample to the population of claims within the scope of the audit, OIG determined that the exceptions represented an overpayment for the population of \$194,205.11. The estimated overpayment amount was calculated by extrapolating the dollar value of the errors detailed in Table A.3 across the appropriate population as detailed in Table A.2. The overpayment was calculated using the lower limit of a two-sided 80 percent confidence interval.

Cenikor was kept apprised of all aspects of the audit process and, in order to ensure audit findings were accurate, was offered multiple opportunities to provide relevant documentation and information.

The Texas Legislature has recognized HHS OIG's authority to utilize a peer-reviewed sampling and extrapolation process. HHS OIG has formally adopted RAT-STATS software as the statistical software to be utilized for the extrapolation process to be consistent with the Office of Inspector General for the United States Department of Health and Human Services.⁴⁶

⁴⁵ Client 25 had two service begin dates.

⁴⁶ 1 Tex. Admin Code § 371.35 (May 15, 2016).

The total extrapolated overpayments amount is \$194,205.11. Details of this overpayment are reported in Issue 1 and Issue 3 and repayment of the amount included in Recommendation 1b.

Dollar-for-Dollar Overpayments

Auditors identified dollar-for-dollar overpayments of (a) \$10,694.44 based on 98 instances in which Cenikor was paid for both withdrawal management and intensive residential services on the same day, and (b) \$108 for one instance in which Cenikor was paid for a day that a client admitted into the intensive residential service type was not at the facility. The total dollar-for-dollar overpayment amount is \$10,802.44. Details of this overpayment are reported in Issue 3 and repayment of the amount included in Recommendation 3.

Appendix B: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

- Audrey O’Neill, CIA, CFE, CGAP, Chief of Audit and Inspections
- Kacy J. VerColen, CPA, Deputy Inspector General of Audit and Inspections
- Steve Sizemore, CIA, CISA, CGAP, Audit Director
- Susan Parker, CPA, Audit Project Manager
- Melissa Larson, CFE, CIA, CISA, HCISPP, Senior Managing Auditor
- Lorraine Chavanna, CFS, CFE, Senior Auditor
- Kathryn Wolf, Staff Auditor
- JoNell Abrams, CIGA, Staff Auditor
- Jay Florian, Staff Auditor
- Bennie Hookfin, Staff Auditor
- Raquel Cortez, Associate Auditor
- Tamesha Ford, Associate Auditor
- Karen Mullen, CGAP, Quality Assurance Reviewer
- Brad Etnyre, CGAP, CIA, Quality Assurance Reviewer
- Mo Brantley, Senior Audit Operations Analyst

Report Distribution

Health and Human Services

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- Victoria Ford, Chief Policy and Regulatory Officer
- Karen Ray, Chief Counsel
- Michelle Alletto, Chief Program and Services Officer
- Nicole Guerrero, Director of Internal Audit
- Sonja Gaines, Deputy Executive Commissioner, Intellectual and Developmental Disability and Behavioral Health Services

- Roderick Swan, Associate Commissioner, Intellectual and Developmental Disability and Behavioral Health Services, Contract Services
- Trina Ita, Associate Commissioner, Intellectual and Developmental Disability and Behavioral Health Services, Medical and Social Services
- Stephen Paul, Deputy Executive Commissioner for Regulatory Services
- Kristi D. Jordan, Associate Commissioner, Regulatory Services, Health Care Quality
- Stephanie Stephens, Deputy Executive Commissioner, Medicaid and CHIP Services

Cenikor, Inc.

- Rick Grinnan, Chairman of the Board of Directors
- Bill Bailey, President and Chief Executive Officer
- Matt Kuhlman, Vice President and Chief Financial Officer
- Angel Hull, Assistant Vice President of Clinical Services

Appendix C: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Susan Biles, Chief of Staff
- Dirk Johnson, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Juliet Charron, Chief of Strategy
- Steve Johnson, Chief of Investigations and Reviews

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